

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11

Silicon Graphics, Inc., et al.

Case No. 06-10977 (BRL)

Debtors.

(Jointly Administered)

**POST-CONFIRMATION QUARTERLY SUMMARY REPORT FOR  
THE PERIOD FROM December 29, 2007 TO March 28, 2008**

DEBTORS' ADDRESS: 1140 E. Argues Avenue, Sunnyvale, California 94085

QUARTERLY DISBURSEMENTS MADE BY SILICON GRAPHICS, INC.,  
AND ITS DEBTOR SUBSIDIARIES (IN MILLIONS); \$119 Million

DEBTORS' ATTORNEY: Weil, Gotshal & Manges LLP  
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New York, New York 10153-0119

REPORT PREPARER: SILICON GRAPHICS, INC., et al.

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verified under penalty of perjury, that the information contained therein is complete, accurate and truthful to the best of my knowledge.

/s/ Kathy Lanterman  
Kathy Lanterman  
Chief Financial Officer  
Silicon Graphics, Inc.

DATE: May 9, 2008

**SILICON GRAPHICS, INC., et al.**  
CASE NO. 06-10977 (BRL) (Jointly Administered)  
**CONDENSED CONSOLIDATING BALANCE SHEET**  
(Unaudited)  
(In thousands)  
**March 28, 2008**

	<u>Debtors</u>	<u>Non-Debtors</u>	<u>Eliminations (1)</u>	<u>Consolidated</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 19,601	\$ 23,130	\$ -	\$ 42,731
Short-term marketable investments	-	22	-	22
Short-term restricted investments	5,336	4,124	-	9,460
Accounts receivable, net	24,757	22,182	-	46,939
Inventories	72,837	583	(26)	73,394
Prepaid expenses	4,536	4,387	-	8,923
Other current assets (2)	35,663	16,823	-	52,486
Due from affiliates	514,664	39,502	(554,166)	-
Total current assets	677,394	110,753	(554,192)	233,955
Restricted investments	206	228	-	434
Property and equipment, net (2)	41,125	1,960	-	43,085
Goodwill	-	-	-	-
Other intangibles	60,860	-	-	60,860
Other non-current assets (2)	47,000	24,948	-	71,948
Due from affiliates	130,328	200,531	(330,859)	-
	<u>\$ 956,913</u>	<u>\$ 338,420</u>	<u>\$ (885,051)</u>	<u>\$ 410,282</u>
Liabilities and Stockholders' Equity:				
Liabilities not subject to compromise:				
Current liabilities:				
Accounts payable	\$ 18,728	\$ 3,342	\$ -	\$ 22,070
Accrued compensation	17,838	19,048	-	36,886
Income taxes payable	331	3,584	-	3,915
Current portion of deferred revenue	77,447	33,143	-	110,590
Customer advances	4,304	-	-	4,304
Other current liabilities (2)	34,723	5,945	-	40,668
Current portion of long-term debt	8,513	-	-	8,513
Due to affiliates	630,293	(81,061)	(549,232)	-
Total current liabilities	792,177	(15,999)	(549,232)	226,946
Long-term debt	124,000	-	-	124,000
Non-current portion of deferred revenue	57,780	102	-	57,882
Other non-current liabilities	13,122	12,875	-	25,997
Due to affiliates	(756)	756	-	-
Total liabilities not subject to compromise	986,323	(2,266)	(549,232)	434,825
Liabilities subject to compromise	-	-	-	-
Total liabilities	986,323	(2,266)	(549,232)	434,825
Stockholders' equity				
New common stock, \$0.01 par value, and additional paid in capital; 25,000,000 shares authorized; 11,581,582 shares issued and outstanding at March 28, 2008	197,204	-	-	197,204
Amounts eliminated in consolidation	(99,951)	73,283	26,668	-
Accumulated deficit	(126,663)	267,403	(362,487)	(221,747)
Total stockholders' equity	(29,410)	340,686	(335,819)	(24,543)
	<u>\$ 956,913</u>	<u>\$ 338,420</u>	<u>\$ (885,051)</u>	<u>\$ 410,282</u>

(1) Consolidated financial results are comprised of post-confirmation Debtor and Non-Debtor entities that have affiliated transactions with other post-confirmation Debtor and Non-Debtor entities. Amounts included under the heading “Eliminations” represent entries required to properly eliminate transactions between affiliated entities for consolidated financial statement presentation purposes.

(2) Balance Sheet Detail

*Other Current Assets*

Other current assets at March 28, 2008 were as follows (in thousands):

	<b>Debtors</b>	<b>Non-Debtors</b>	<b>Consolidated</b>
Deferred cost of goods sold	\$ 30,818	\$ 2,108	\$ 32,926
Value-added tax receivable	897	3,444	4,341
Other	3,948	11,271	15,219
Total other current assets	<u>\$ 35,663</u>	<u>\$ 16,823</u>	<u>\$ 52,486</u>

*Property and Equipment, Net*

Property and equipment, net at March 28, 2008 was as follows (in thousands):

	<b>Debtors</b>	<b>Non-Debtors</b>	<b>Consolidated</b>
Real property and improvements	\$ 15,928	\$ -	\$ 15,928
Machinery and equipment	25,763	1,165	26,928
Furnitures, fixtures and office equipment	1,008	344	1,352
Vehicles	-	-	-
Leasehold improvements	14,311	2,499	16,810
Accumulated depreciation and amortization	(15,886)	(2,047)	(17,933)
PP&E net	<u>\$ 41,124</u>	<u>\$ 1,961</u>	<u>\$ 43,085</u>

*Other Non-Current Assets*

Other non-current assets at March 28, 2008 were as follows (in thousands):

	<b>Debtors</b>	<b>Non-Debtors</b>	<b>Consolidated</b>
Spare parts	\$ 9,894	\$ 6,768	\$ 16,662
Investment in SGI Japan	-	14,720	14,720
Non-current deferred cost of goods sold	27,948	-	27,948
Other	9,158	3,460	12,618
Total other non-current assets	<u>\$ 47,000</u>	<u>\$ 24,948</u>	<u>\$ 71,948</u>

*Other Current Liabilities*

Other current liabilities at March 28, 2008 were as follows (in thousands):

	<b>Debtors</b>	<b>Non-Debtors</b>	<b>Consolidated</b>
General accrued liabilities	\$ 27,162	\$ 1,155	\$ 28,317
Value-added tax payable	1,424	4,593	6,017
Product warranty	5,259	-	5,259
Current portion of restructuring liability	878	197	1,075
Total other current liabilities	<u>\$ 34,723</u>	<u>\$ 5,945</u>	<u>\$ 40,668</u>

*Other Non-Current Liabilities*

Other non-current liabilities at March 28, 2008 were as follows (in thousands):

	<b>Debtors</b>	<b>Non-Debtors</b>	<b>Consolidated</b>
Long-term income taxes payable	\$ 10,619	\$ 12,572	\$ 23,191
Other	2,503	303	2,806
Total other non-current liabilities	<u>\$ 13,122</u>	<u>\$ 12,875</u>	<u>\$ 25,997</u>

## Attachment No. 1

**SILICON GRAPHICS, INC., et al.**  
CASE NO. 06-10977 (BRL) (Jointly Administered)

**QUESTIONNAIRE**

1. Have any assets been sold or transferred outside the normal course of business, or outside the Plan of Reorganization during this reporting period?
2. Are any post-confirmation sales or payroll taxes past due?
3. Are any amounts owed to post-confirmation creditors/vendors over 90 days delinquent?
4. Is the Debtor current on all post-confirmation plan payments?

**\*If the answer to any of the above questions is "YES," provide a detailed explanation of each item on a separate sheet.**

**INSURANCE INFORMATION**

1. Are real and personal property, vehicle/auto, general liability, fire, theft, worker's compensation, and other necessary insurance coverages in effect? YES
2. Are all premium payments current? YES

**\*If the answer to any of the above questions is "NO," provide a detailed explanation of each item on a separate sheet.**

<b>Confirmation of Insurance</b>			
<b>Type of Policy</b>	<b>Carrier</b>	<b>Period of coverage</b>	<b>Delinquency Amount</b>
Crime/Employee Theft	Zurich pol. # FID9030906-02	7/1/07-7/1/08	None
Cargo / Transit	Lloyds pol.# JC532407&JC474807	7/1/07-7/1/08	None
Property / Business Interruption	FM Global pol. # UR816	7/1/07-7/1/08	None
Commercial General Liability	Chubb pol. # 3532-28-25	7/1/07-7/1/08	None
Auto-domestic	Chubb pol. # 7321-08-37	7/1/07-7/1/08	None
Foreign Liability	Chubb pol. # 3528-23-83	7/1/07-7/1/08	None
Umbrella (Liability)	Chubb pol. # 7960-07-21	7/1/07-7/1/08	None
1st Excess Liability	St Paul pol. # QI09400479	7/1/07-7/1/08	None
"	Grt.Am. pol. # EXC3108262	7/1/07-7/1/08	None
2nd Excess Liability	Zurich pol.# AEC9138273-01	7/1/07-7/1/08	None
Elec.Errors&Omissions Liability	Chubb pol.# 3532-28-26	7/1/07-7/1/08	None
E&O Excess Liability	St Paul pol. # 566TE0062	7/1/07-7/1/08	None
AircraftProductsLiability / NOAC	GlobalAerospc. pol.# 16000034	7/1/07-7/1/08	None
Fiduciary Liability	N'l Union (AIG) pol.# 659-58-64	7/1/07-7/1/08	None
Company Contingent Coverage	Liberty PIA pol.# 202101-015	7/1/07-7/1/08	None
Directors&OfficersLiab-primary	Lloyds/Lex pol.# B0509/QB042907-1	9/15/07-9/15/08	None
Directors&OfficersLiab-1stExcess	Old Republic pol.# CUG 3191	9/15/07-9/15/08	None
Directors&OfficersLiab-2ndExcess	Navigators pol.# NY07DOL876775NV	9/15/07-9/15/08	None
Directors&OfficersLiab-3rdExcess	AIG (N'l Union) pol.# 186-11-62	9/15/07-9/15/08	None
Directors&OfficersLiab-4thExcess	XL Specialty pol.# ELU100096-07	9/15/07-9/15/08	None
Storage Tank Liability (AST Pollution Liability)	Illinois Union (ACE) pol.# G21849017-002	10/17/07-10/17/08	None

**DESCRIBE PERTINENT DEVELOPMENTS, EVENTS, AND MATTERS DURING THIS REPORTING PERIOD:**

Estimated Date of Filing the Application for Final Decree: December 26, 2008

**Attachment No. 2**  
**SILICON GRAPHICS, INC., et al.**  
CASE NO. 06-10977 (BRL) (Jointly Administered)  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS BY DEBTOR**  
**(Unaudited) (In dollars)**

This Report is being submitted for all bank accounts that are presently maintained by the post-confirmation debtor.

<b>Debtors' Name:</b>	Silicon Graphics, Inc., et al.	<b>Bank:</b>	Wells Fargo; ING; Credit Suisse
<b>Bankruptcy Number:</b>	06-10977 (BRL) (Jointly Administered)	<b>Account Number:</b>	Various
<b>Date of Confirmation:</b>	May 9, 2008	<b>Account Type:</b>	Main Checking; Collections; various ZBA accounts
<b>Reporting Period (month/year):</b>	For the quarter ended March 28, 2008		

<b>Beginning cash balance</b>	\$ 15,772,977
<b>All receipts received by the debtor:</b>	
Cash sales	—
Collections of Accounts Receivable:	
Silicon Graphics, Inc.	54,793,044
Silicon Graphics Federal, Inc.	21,327,107
International receipts	9,973,839
Total collections of Accounts Receivable	<u>86,093,991</u>
Proceeds from litigation (settlement or otherwise)	—
Sale of debtor assets	—
Capital infusion pursuant to Plan	—
Proceeds from financing, net	<u>46,175,000</u>
Total cash received	<u>132,268,991</u>
Total cash available	<u>148,041,968</u>
<b>All disbursements made by the debtor:</b>	
Disbursements made under the Plan, excluding the administrative claims of bankruptcy professionals	
Disbursements made pursuant to the administrative claims of bankruptcy professionals	
All other disbursements made in the ordinary course:	
Silicon Graphics, Inc.	106,597,420
Silicon Graphics Federal, Inc.	12,633,678
Total disbursements	<u>119,231,097</u>
<b>Ending cash balance</b>	\$ <u><u>28,810,870</u></u>

**Attachment No. 2 (continued)**  
**SILICON GRAPHICS, INC., et al.**  
CASE NO. 06-10977 (BRL) (Jointly Administered)  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS BY DEBTOR**  
(Unaudited) (In dollars)  
**For the period from December 29, 2007 to March 28, 2008**

**TOTAL DISBURSEMENTS BY DEBTOR**

<b>Legal Entity</b>	<b>Case Number</b>	<b>Disbursements</b>
Silicon Graphics, Inc.	06-10977 (BRL)	\$ 106,597,420
Silicon Graphics Federal, Inc.	06-10978 (BRL)	12,633,678
Cray Research, LLC	06-10979 (BRL)	—
Silicon Graphics Real Estate, Inc.	06-10980 (BRL)	Closed
Silicon Graphics World Trade Corporation	06-10981 (BRL)	—
Silicon Studio, Inc.	06-10982 (BRL)	Closed
Cray Research America Latina Ltd.	06-10983 (BRL)	Closed
Cray Research Eastern Europe Ltd.	06-10984 (BRL)	Closed
Cray Research India Ltd.	06-10985 (BRL)	Closed
Cray Research International, Inc.	06-10986 (BRL)	Closed
Cray Financial Corporation	06-10987 (BRL)	Closed
Cray Asia/Pacific, Inc.	06-10988 (BRL)	Closed
ParaGraph International, Inc.	06-10989 (BRL)	Closed
WTI Development, Inc.	06-10990 (BRL)	Closed
Total disbursements		\$ <u>119,231,098</u>